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Simple Steps for Managing Post-Settlement Administration of Future Medical

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Settling Open Medical

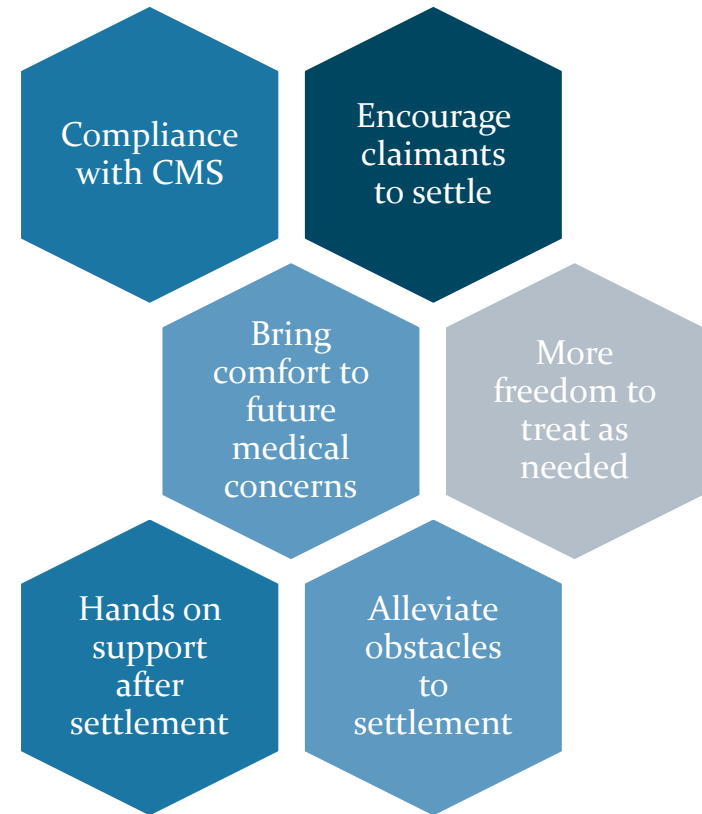
- The benefits of settling medical
- Nuances of settlement
- Indemnity + Medical vs. Medical Only
- MSA vs. Non-MSA Future Medical

Professional Admin and the World of Workers Compensation

- Professional administration is a simple, all-in-one solution that is designed to eliminate the hassles and risks that come with self administering medical funds post-settlement.
- It provides the claimant with a dedicated support team after they settle their case, along with technology to ensure they save money when they actually spend their settlement dollars on healthcare purchases.

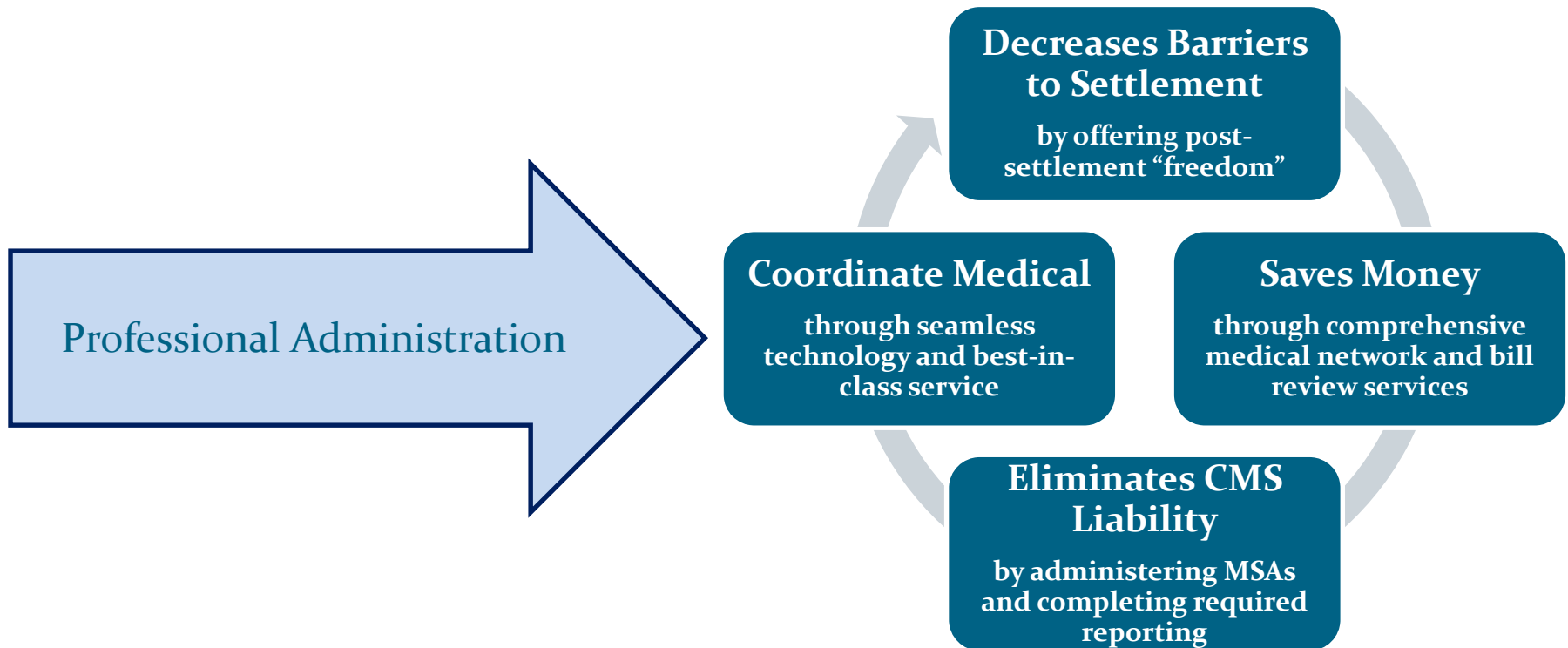
What is Professional Administration and Its Role in the Claims/Settlement Process?

- Compliance and reporting with CMS
- Liability protection for all parties involved in the settlement process
- The management of future medical expenses, including pharmacy, provider visits/surgeries, and medical equipment on behalf of a claimant after settlement



Enhancing the Claims and MSP Strategy

Professional administration provides innovative solutions to enhance compliance, drive settlements and save money...



The Problem – Managing Medical Funds

Managing medical care is complicated, time consuming and can be extremely **daunting for anyone but especially for those with injuries** – how does it impact their interest in settling future medical?



		MSA	Non-Medicare Future Medical
1	Follow CMS Requirements & Reporting	👍	N/A
2	Access to Medical Networks and Savings	👍	👍
3	Sophisticated Claims Technology	👍	👍
4	Hands On Customer Support	👍	👍

Increasing CMS Oversight

In 2014, CMS issued a 31 page “Self-Administration” Toolkit for Workers’ Compensation MSAs...

- Vast majority of claimants self-administer their MSA resulting in inaccurate administration – Mandatory Insurer Reporting by payors provides more insight / data on claimants’ settlements
- Claimants left with the responsibility of adhering to difficult treatment and reporting guidelines

High Level Medicare (CMS) Administration Expectations

	<u>CMS Expectations</u>	<u>Common Issues</u>
1	Place funds in separate interest bearing bank account	Funds often co-mingled with other funds
2	Identify if treatment or Rx is related to injury and Medicare covered	Funds used for unrelated injury treatment and non-Medicare covered items
3	Pay bills according to the specific state workers’ compensation fee schedule	Providers typically over bill and Claimant unaware of how to locate fee schedule rates
4	Track all expenses, treatment, dates of service, and related ICD-9/10 codes – report on annual basis	No reporting is completed or submitted

Results in lost Medicare benefits, confusion, and potential issues down the road after settlement

MSA Custodial Account Overview

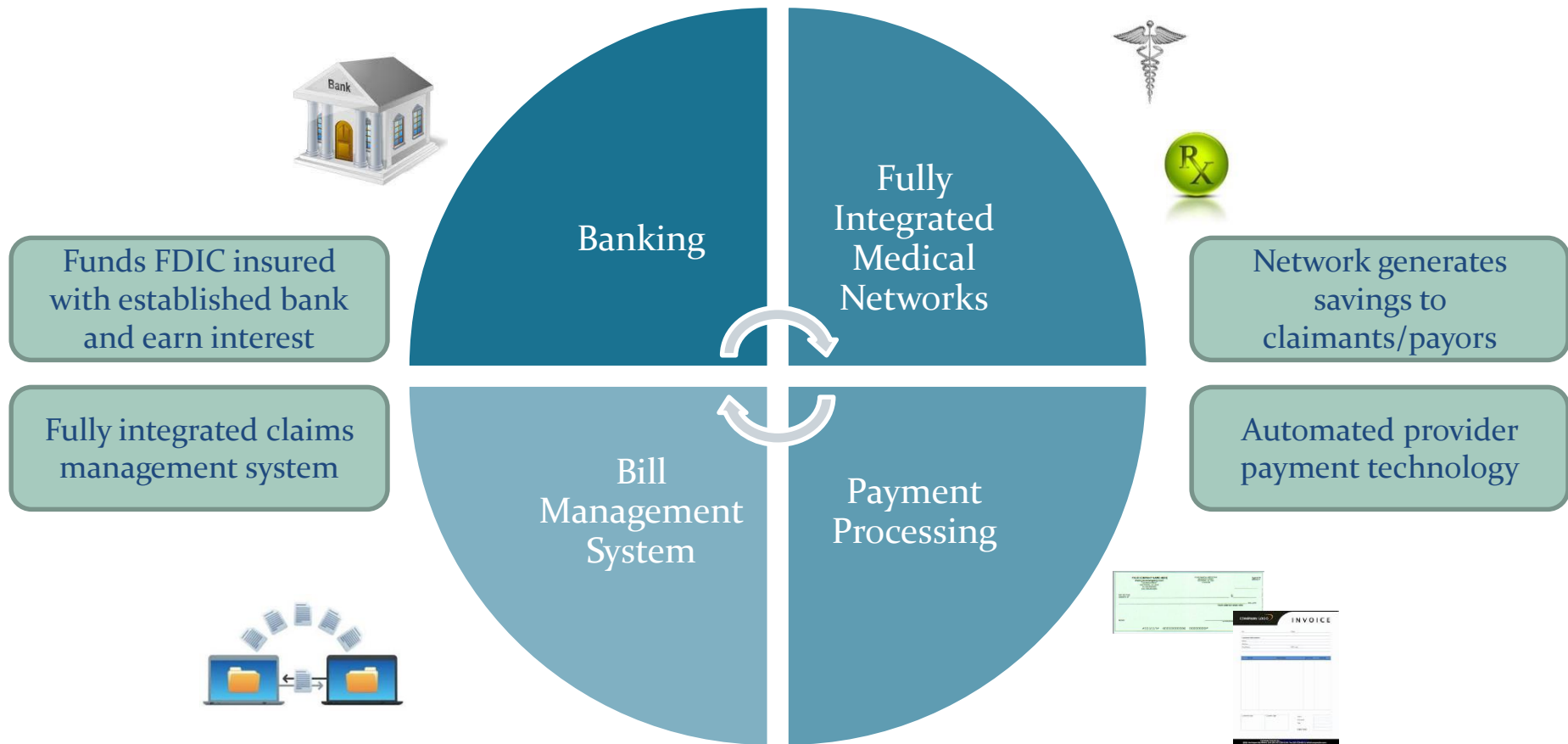
- Administration fees and attorney fees cannot be charged to the MSA account
- Administration can be utilized for MSAs funded with a lump sum or structured annuity
 - Annuities can be powerful in preserving MSA account → good way to emphasize structured settlements
- MSA seed and annual payments are deposited directly into the account administered by a professional administration vendor
 - Unused funds from each year rollover to be utilized in the future
 - Example: \$10,000 funded for year 1; only \$7,500 is utilized in year 1 → \$2,500 balance rolls over and year 2 starts with the \$2,500 balance, plus the \$10,000 new annual funding or a total of \$12,500
- The additional income tax on the interest income earned on the MSA may be charged to the account and paid out of the account

Managing the MSA Post-Settlement

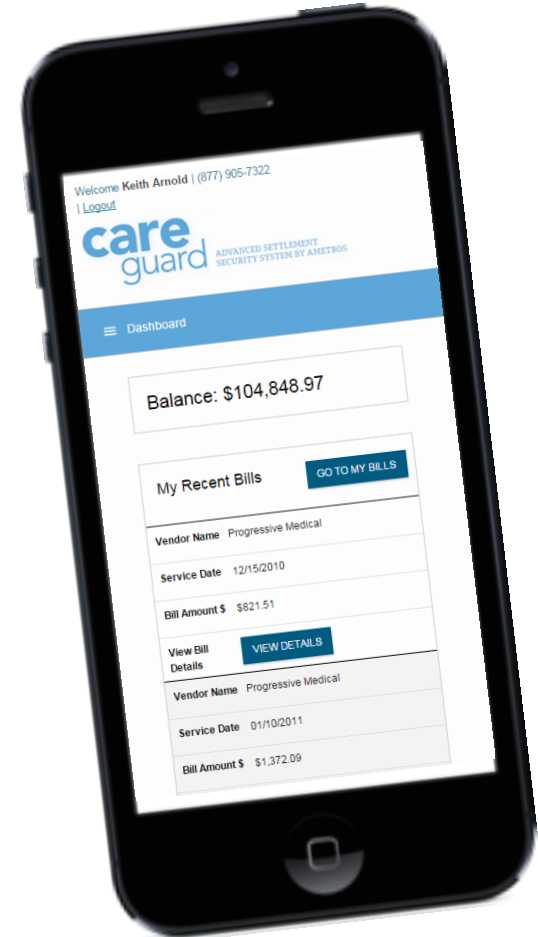
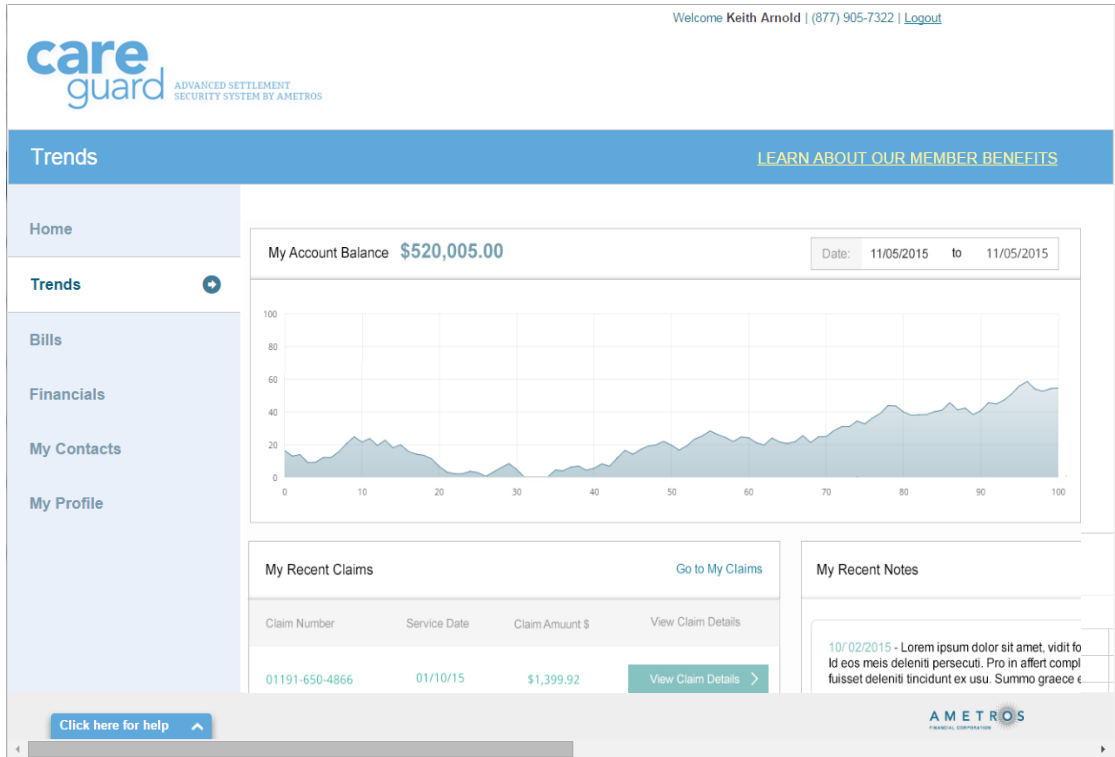
- The MSA is a guide for future medical treatment
 - Items not directly included in the MSA can be covered as well
 - What happens if item is not directly on MSA → treatment changes over time
- Funds are not spent in direct relation to how they were allocated in the MSA for prescription, medical equipment, provider treatment
 - The MSA represents funds that can be used to cover any treatment or prescriptions that are related to the injury and Medicare covered
- Upon the death of the claimant, the funds may be dispersed pursuant to state law (typically to the claimant's estate).
 - However, this may involve holding the account open several months to allow bills to be paid

Bill Management and Payment Technology

Claimants receive access to sophisticated, patented bill and payment management resources providing them the resources and comfort to settle their cases



Cutting Edge Features and Systems



Closing Open Medical Claims

Common Issues Where Administrator
Can Be Leveraged to Secure a Settlement

“Offer is too low”

- Administrator can demonstrate savings to IW and provide actual pricing post-settlement for Rx, procedures, etc.

“I need my case manager support”

- Seamless services make the claimant’s life hassle free post-settlement

“I’m frustrated with UR”

- Administrator does not impose treatment restrictions with specific providers, which encourages the IW to settle

“MSA reporting is too difficult”

- Administrator ensures claimant remains in compliance with CMS and provides hassle free experience

CareGuard Settlement Initiative

Process detail

1. **Training** to identify cases CareGuard can impact
 - Risk manager meeting
 - Adjuster training (one region at a time)
 - Defense counsel training
2. **Screen** open cases to select a target list
 - Status of case and most recent contact
 - Synopsis of claimant issues and reasons for not settling
3. **Outreach** direct to claimants or attorneys
 - Custom mailers
 - Outbound calling
 - Handling inbound inquiries
4. **Close** claims with adjuster collaboration and provide **reporting**
 - Record all contacts and responses
 - Coordinate with adjuster & attorney to finalize offers



Success rate of 38% in moving claims to settlement in the past 6 months.

Free / No Downside Outreach Program

Focus on helping settle open future medical cases where claimant is reluctant to settle

Identify Cases

- Provide Ametros with cases that meet certain criteria (hurdles / fear of settlement)

Perform Outreach

- Ametros performs outreach to attorney or claimant to explain services and gain interest in settling future medical

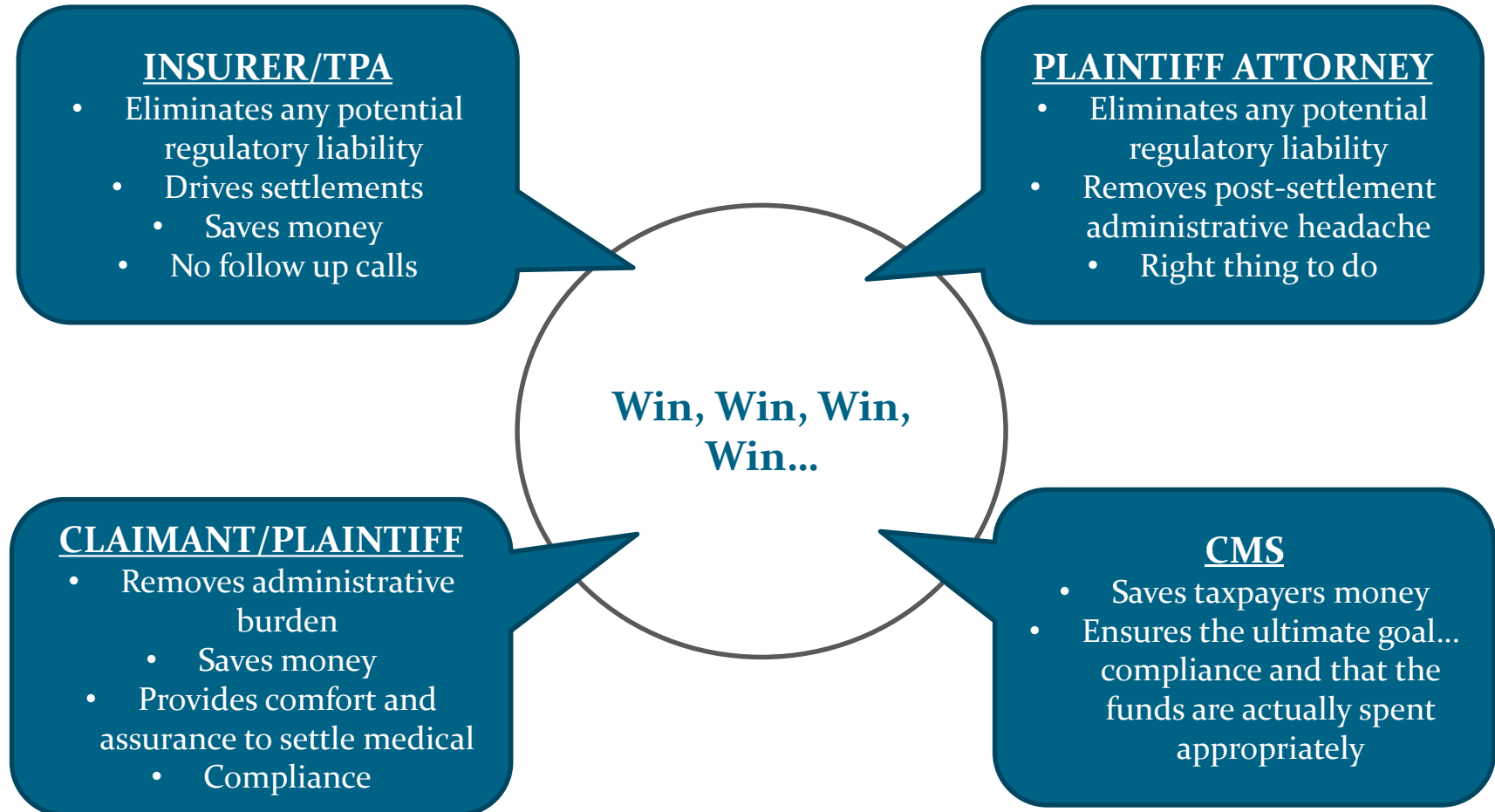
Settle Case

- Once interest in settlement is reached, Ametros will work with adjuster to move case forward

Benefits of Professional Administration

- Administrator can contract with providers (physicians, DME, pharmacy, home health) at discounted rates
 - Saves money and extends MSA funds longer → “nest egg”
- Completes all paperwork and coordination required by CMS
- Provides comfort to claimant that they will continue to have a healthcare resource and assistance with medical bills post-settlement
- Offers more freedom for treatment and allows claimant to treat at provider of choice → providers are paid quicker with less hassle
- Removes the risk of a claimant jeopardizing their future Medicare benefits due to mishandled MSA funds
- Mitigates any post-settlement liability for an applicant attorney
- Mitigates post-settlement administrative hassle and potential liability for payers and defense attorneys as well

Benefits of Professional Administration



When to Engage Professional Administration

- Attempt to engage administrator early in the claims process so injured party or attorney is not surprised and has time to understand the benefits
- If there is pushback from the injured party with concerns regarding the management of the MSA or other future medical concerns
- Injured party is not competent and clearly does not understand responsibilities
- Difficult cases/claimants where the likelihood of the claimant returning post-settlement to allege bad faith or misunderstanding of their responsibility is high

Review

- Professional administration is the future of settling open medical claims. By benefitting and appealing to the injured party we allow for more settlements with less hassle and risk for all parties.
- Professional admin benefits all parties and should be used as a settlement tool in order to break down the common barriers.